

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

W.R. GRACE & CO., et al.,

Debtors.

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Chapter 11

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Case No. 01-01139 (JKF)
(Jointly Administered)

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Objection Deadline: March 13, 2009 at 4:00 p.m.

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Hearing: April 1, 2009 at 10:30 a.m.

**ELEVENTH QUARTERLY INTERIM FEE APPLICATION OF
ORRICK, HERRINGTON & SUTCLIFFE LLP, BANKRUPTCY COUNSEL TO
DAVID T. AUSTERN, FUTURE CLAIMANTS' REPRESENTATIVE,
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES
INCURRED FOR THE PERIOD JULY 1, 2008 THROUGH SEPTEMBER 30, 2008**

Pursuant to §§ 330 and 331 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure, and this Court’s Amended Administrative Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members, signed April 17, 2002, amending the Court’s Administrative Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Allowance and Payment of Monthly Interim Compensation and Reimbursement of Expenses of Professionals, entered May 3, 2001 (collectively, the “Administrative Order”), Orrick, Herrington & Sutcliffe LLP (“Orrick”), Bankruptcy Counsel, hereby submits this eleventh quarterly interim application (the “Eleventh Quarterly Interim Application”) for an allowance of (i) compensation for professional services rendered to David T. Austern, the Future Claimants’ Representative (the “FCR”) of W.R. Grace & Co. and its affiliates (collectively, the “Debtors”) for the period July 1, 2008 through September 30, 2008 (the “Interim Period”), and (ii) the reimbursement of expenses incurred during the same period.

By this Eleventh Quarterly Fee Application, Orrick seeks the interim allowance of compensation in the amount of \$1,205,058.75 in fees and reimbursement of actual and necessary expenses in the amount of \$69,698.64 for a total of \$1,274,757.39, or 100% of all compensation and expense reimbursement requested, for the period July 1, 2008 through September 30, 2008. In support of this Eleventh Quarterly Interim Application, Orrick respectfully represents as follows:

Jurisdiction

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334.

Background

2. On April 2, 2001 (the “Petition Date”), the Debtors filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

3. By an Order dated May 24, 2004, the Court appointed the FCR for the above captioned cases. The Order appointing the FCR also authorizes the FCR to employ professionals under the provision applicable to employment of professionals by an official committee (Section 1103 of the Bankruptcy Code). On March 9, 2006, the FCR applied to this Court for an order authorizing the retention of Orrick as his bankruptcy counsel pursuant to an engagement agreement dated February 6, 2006 (the “Engagement Agreement”).

4. On May 8, 2006, this Court entered an order (the “Retention Order”) authorizing the FCR to employ Orrick as bankruptcy counsel effective as of the February 6, 2006 pursuant to the terms of the Engagement Agreement.

Monthly Fee Applications Covered Herein

5. Prior to the filing of this Eleventh Quarterly Fee Application, Orrick filed its July 2008, August 2008 and September 2008 fee applications with the Court pursuant to the Administrative Order.

6. On September 26, 2008, Orrick filed its Thirtieth Monthly Application for Compensation for Services Rendered and Reimbursement of Expenses as Bankruptcy Counsel to the FCR for the Period July 1-30, 2008 (the "Thirtieth") [Docket No. 19624] requesting \$370,613.80 (80% of \$463,267.25) and expenses in the amount of \$48,066.49. The deadline to file objections to the Thirtieth expired on October 16, 2008, and no objections were filed. A certificate of no objection was filed with the Court on October 17, 2008, at Docket No. 19778.

7. On October 13, 2008, Orrick filed its Thirty-First Monthly Application for Compensation for Services Rendered and Reimbursement of Expenses as Bankruptcy Counsel to the FCR for the Period August 1-31, 2008 (the "Thirty-First") [Docket No. 19735] requesting \$321,781.00 (80% of \$402,226.25) and expenses in the amount of \$15,601.29. The deadline to file objections to the Thirty-First expired on November 3, 2008, and no objections were filed. A certificate of no objection was filed with the Court on November 4 2008, at Docket No. 19940.

8. On October 28, 2008, Orrick filed its Thirty-Second Monthly Application for Compensation for Services Rendered and Reimbursement of Expenses as Bankruptcy Counsel to the FCR for the Period September 1-30, 2008 (the "Thirty-Second") [Docket No. 19735] requesting \$271,652.20 (80% of \$339,565.25) and expenses in the amount of \$6,369.10. The deadline to file objections to the Thirty-Second expired on November 17, 2008, and no objections were filed. A certificate of no objection was filed with the Court on November 18, 2008, at Docket No. 20088.

9. The Thirtieth, Thirty-First and Thirty-Second monthly applications covered by this Eleventh Quarterly Fee Application contain details on the actual and necessary services provided by Orrick during the Interim Period as well as the other information required to be included in fee applications.

Requested Relief

10. By this Eleventh Quarterly Application, Orrick requests that the Court approve the interim allowance of compensation for professional services rendered and the reimbursement of actual and necessary expenses incurred by Orrick from July 1, 2008 through September 30, 2008. As stated above, the full scope of the services provided and the related expenses incurred are fully described in the monthly fee applications for the Interim Period that already have been filed with the Court.

11. At all relevant times, Orrick has been a disinterested person as that term is defined in section 101(14) of the Bankruptcy Code and has not represented or held an interest adverse to the interests of the FCR.

12. All services for which compensation is requested by Orrick were performed for or on behalf of the FCR.

13. Except for the Debtors' obligation to pay compensation and reimbursement as allowed by the Court, Orrick has received no payment and no promise for payment from any source for services rendered, or to be rendered, in any capacity whatsoever in connection with these cases.

14. In accordance with Rule 2016(b) of the Federal Rules of Bankruptcy Procedure, Orrick has not shared and has not agreed to share (a) any compensation it has received or may receive with another party or person other than with its partners, counsel and associates, or (b) any compensation another person or party has received or may receive in connection with this.

WHEREFORE, Orrick respectfully requests that the Court enter an order, substantially in the form attached hereto, providing that, for the period July 1, 2008 through September 30, 2008, Orrick shall be allowed the sum of \$1,205,058.75 in fees for reasonable and necessary professional services rendered to the FCR and the sum of \$69,698.64 for the reimbursement of actual and necessary costs and expenses incurred, for a total of \$1,274,757.39, that the Debtors be authorized and directed to pay to Orrick the outstanding amount of such sums, and for such other and further relief as this Court may deem just and proper.

ORRICK, HERRINGTON & SUTCLIFFE LLP

By: /S/ DEBRA L. FELDER

Roger Frankel, admitted *pro hac vice*
Richard H. Wyron, admitted *pro hac vice*
Debra L. Felder, admitted *pro hac vice*
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*Co-Counsel to David T. Austern,
Future Claimants' Representative*

Dated: November 21, 2008

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

W.R. GRACE & CO., et al.,

Debtors.

Chapter 11

Case No. 01-1139 (JKF)

VERIFICATION

DISTRICT OF COLUMBIA, TO WIT:

Debra L. Felder, after being duly sworn according to law, deposes and says:

1. I am an associate of the applicant law firm Orrick, Herrington & Sutcliffe LLP ("Orrick") and have been admitted *pro hac vice* to appear in these cases.

2. I have personally performed certain of the legal services rendered by Orrick as counsel to David T. Austern as Future Claimants' Representative ("FCR") and am familiar with the other work performed on behalf of the FCR by the lawyers, legal assistants, and other professionals of Orrick as set forth in the invoices previously filed with the Court.

3. I have reviewed the Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. I have reviewed the requirements of Local Rule 2016-2 and the Administrative Order, as amended, dated April 17, 2002, and I believe the Application to be in compliance therewith.

/S/ DEBRA L. FELDER

Debra L. Felder

SWORN AND SUBSCRIBED TO BEFORE ME

THIS 21ST DAY OF NOVEMBER, 2008

/S/ ROXANNA JOHNSON

Roxanna Johnson, Notary Public

My commission expires: 03-14-09

CERTIFICATE OF SERVICE

I, DEBRA O. FULLEM, do hereby certify that I am over the age of 18, and that on November 25, 2008, I caused the *Notice, Cover Sheet, Eleventh Quarterly Interim Application of Orrick, Herrington & Sutcliffe LLP, Bankruptcy Counsel to David T. Austern, Future Claimants' Representative for Compensation for Services Rendered and Reimbursement of Expenses for the Time Period July 1, 2008 through September 30, 2008, and Verification*, to be served upon those persons as shown below and a copy of the *Notice and Cover Sheet* to all parties as shown on the attached Service List.

<i>Federal Express</i> Laura Davis Jones, Esquire James O'Neil, Esquire Pachulski, Stang, Ziehl, Young & Jones P.C. 919 North Market Street, 16th Floor Wilmington, DE 19899-8705	<i>Regular Mail</i> Vito I. DiMaio Parcels, Inc. 10th & King Streets P.O. Box 27 Wilmington, DE 19899
<i>Federal Express</i> David M. Klauder, Esquire Office of the United States Trustee 844 King Street, Suite 2207, Lockbox 35 Wilmington, DE 19801	<i>Federal Express and Email:</i> <i>feeaudit@whsmithlaw.com and</i> <i>bruhlander@whsmithlaw.com</i> Bobbi Ruhlander Warren H. Smith & Associates Republic Center 325 N. St. Paul, Suite 1275 Dallas, TX 75201
<i>Federal Express and E-mail:</i> <i>william.sparks@grace.com</i> (W.R. Grace & Co.) David B. Siegel W.R. Grace and Co. 7500 Grace Drive Columbia, MD 21044	<i>E-mail: nglassman@bayardfirm.com</i> (Local Counsel to DIP Lender) Neil B. Glassman, Esquire The Bayard Firm
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<i>E-mail: jbaer@kirkland.com</i> (Counsel to Debtor) James H.M. Sprayregen, P.C. Janet S. Baer, Esquire Kirkland & Ellis	<i>E-mail: jsakalo@bilzin.com</i> (Official Committee of Property Damage Claimants) Scott L. Baena, Esquire Bilzin Sumberg Baena Price & Axelrod LLP
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/S/ DEBRA O. FULLEM
Debra O. Fullem
Orrick, Herrington & Sutcliffe LLP